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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO	
09/811,711	03/19/2001	Mustafa Erhan Say	517.1001	9478	
759	90 10/19/2004		EXAMINER		
Cary S. Kappel			FISCHER, ANDREW J		
14th Floor 485 Seventh Avenue		•	ART UNIT PAPER NUMBE		
New York, NY 10018			3627 DATE MAIL ED: 10/19/2004		

Please find below and/or attached an Office communication concerning this application or proceeding.

•,		Application No.	Applicant(s)				
	Office Action Summary	09/811,711	SAY, MUSTAF,	A ERHAN			
-	omee Action Summary	Examiner	Art Unit	1 1 1			
	The MAILING DATE of this	Andrew J. Fischer	3627	1 (Uu)			
	The MAILING DATE of this communication appears on the cover sheet with the correspondence address Period for Reply						
	A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION. - Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication. - If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely. - If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication. - Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). - Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any						
	Status						
	 Responsive to communication(s) filed on <u>08 July 2004</u>. This action is FINAL. 2b) This action is non-final. Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under <i>Ex parte Quayle</i>, 1935 C.D. 11, 453 O.G. 213. 						
	Disposition of Claims						
	4) Claim(s) 7-50 is/are pending in the application. 4a) Of the above claim(s) 12-20 is/are withdrawn from consideration. 5) Claim(s) is/are allowed. 6) Claim(s) 7-11 and 21-50 is/are rejected. 7) Claim(s) is/are objected to. 8) Claim(s) are subject to restriction and/or election requirement.						
	Application Papers						
	9) The specification is objected to by the Examiner. 10) The drawing(s) filed on is/are: a) accepted or b) objected to by the Examiner. Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a). Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d). 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152. Priority under 35 U.S.C. § 119						
	 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f). a) All b) Some * c) None of: 1. Certified copies of the priority documents have been received. 2. Certified copies of the priority documents have been received in Application No. 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)). * See the attached detailed Office action for a list of the certified copies not received. 						
3	Attachment(s) Notice of References Cited (PTO-892) Notice of Draftsperson's Patent Drawing Review (PTO-948) Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date	Paper No(s)/l	nmary (PTO-413) Mail Date rmal Patent Application (PTC	O-152)			
PT	OL-326 (Rev. 1-04) Office Action	n Summary	Part of Paper No /Mail D	nto 40400004			

Art Unit: 3627

DETAILED ACTION

Acknowledgements

- 1. Applicant's amendment filed July 8, 2004 is acknowledged. Accordingly, claims 7-50 remain pending.
- 2. Claims 12-20 were withdrawn from consideration in the previous Office Action mailed April 7, 2004 (Paragraph No. 2).
- 3. This Office Action is written in OACS. Because of this, the Examiner is unable to control formatting, paragraph numbering, font, spelling, line spacing, and/or other word processing issues. The Examiner sincerely apologies for these errors.

Claim Rejections - 35 USC §101

4. 35 U.S.C. §101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

- 5. Claims 7-11 and 21-50 are rejected under 35 U.S.C. §101 because the claimed invention is directed to non-statutory subject matter. The basis of this rejection is set forth in a two-prong test:
 - (1) The invention must be within the technological arts; and
 - (2) The invention must produce a useful, concrete, and tangible result.
- 6. Prong (1) requires the claimed invention to be within the technological arts. See *In re Musgrave*, 431 F.2d 882, 167 USPQ 280, 289-90 (C.C.P.A. 1970); and *In re Johnston*, 502 F.2d 765, 183 USPQ 172, 177 (C.C.P.A. 1974). Mere abstract ideas (*i.e.*, laws of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the

"progress of science and the useful arts" and are therefore non-statutory subject matter. For a process, the claimed process must somehow apply, involve, use, or advance the technological arts. Mere intended or nominal use of a component—albeit within the technological arts—does not confer statutory subject matter to an otherwise abstract idea if the component does not apply, involve, use, or advance the underlying process. In other words, if the invention in the body of the claim is not tied to a technological art, environment, or machine, the claim is non-statutory. Ex parte Bowman, 61 USPQ2d 1665, 1671 (B.P.A.I. 2001) (Unpublished). See also MPEP §2106 IV B. 2 (b) ii). The Examiner recommends (by way of example only) positive recitation of the computer or other technology within the body of the claim if the specification supports such an amendment Claim Rejections - 35 USC §112 2nd Paragraph

- 8. The following is a quotation of the 2nd paragraph of 35 U.S.C. §112:
 The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.
- 9. Claims 7-11 and 21-50 are rejected under 35 U.S.C. §112, 2nd paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The claims are replete with errors. Some examples follow.
 - a. Because claims 7-50 are directed to non-statutory subject matter, the scope of the claims is unclear. If Applicant overcomes the §101 rejections above, this particular set of rejections will be withdrawn.

¹ It is the Examiner's position that "technological arts" is synonymous with "useful arts" as stated in the U.S. Constitution, Art. I, §8. See *In re Waldbaum*, 457 F.2d 997, 173 USPQ 430, 434 (C.C.P.A. 1972).

² E.g., the physical sciences are statutory; c.f., social sciences which are non-statutory

Art Unit: 3627

b. In claim 7, it is unclear who receives the "receiving an agreement or termination" as recited in the last phrase.

Claim Rejections - 35 USC §102

10. The following is a quotation of the appropriate paragraphs of 35 U.S.C. §102 that form the basis for the rejections under this section made in this Office Action:

A person shall be entitled to a patent unless -

- (a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.
- (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States. . . .
- (e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.
- 11. Claims 7-11 and 21-50, as understood by the Examiner, are rejected under 35 U.S.C. §102(e) as being anticipated by Atkinson et. al. (U.S. 2001/0039528 A1)("Atkinson '528"). Atkinson '528 discloses the claimed invention including a first plurality of bidders (the bidders in round 1) and a second plurality of bidders (the bidders of round 1 who make it to round two). Atkinson '528 also discloses how each bidder may have their bid considered one at a time.

Claim Rejections - 35 USC §103

12. The following is a quotation of 35 U.S.C. §103(a) which forms the basis for all obviousness rejections set forth in this Office Action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

13. Claims 7-50, as understood by the Examiner, are alternatively rejected under 35 U.S.C. §103(a) as being unpatentable over Fisher et. al. (U.S. 5,835,896)("Fisher") in view of Sheehan et. al. (U.S. 2001/0049647 A1)("Sheehan"). Fisher discloses the claimed invention including initiating and concluding the auction. Fisher does not directly disclose a second or final round of bidding to form a final bidders set. Sheehan teaches the use of a final bidders set (i.e. various auction rounds).

Therefore, it would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify Fisher at taught be Sheehan to include a final bidders set. Such a modification would have allowed goods and services to find a quick and ready market by focusing on buyers who are more than casual visitors.

- 14. Moreover, it is now admitted prior art that online auctions have alternative payments (e.g. VISA or PayPal); and alternative shipment forms (e.g. UPS, U.S. Postal Service, or FedEx). Such features are inherent in online auctions. If not inherent, it also would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify the Fisher/Sheehan combination to include alternative payments and shipment terms. Such a modification would have provided better customer service by allowing the buyer to choose the payment and shipment methods that they desire.
- 15. Applicant's attempt at traversing the Official Notice findings as stated in the previous Office Action (Paragraph No. 10) is inadequate. Adequate traversal is a two step process. First, Applicant must state his traversal on the record. Second and in accordance with 37 C.F.R. §1.111(b) which requires Applicant to specifically point out the supposed errors in the Office

Action, Applicant must state why the Official Notice statement(s) are not to be considered common knowledge or well known in the art. In this application, while Applicant has clearly met step (1), Applicant has failed step (2) since he has failed to argue why the Official Notice statement(s) are not to be considered common knowledge or well known in the art. Because Applicant's traversal is inadequate, the Official Notice statement(s) are taken to be admitted as prior art. See MPEP §2144.03.

16. The Examiner concludes that Applicant has decided not to be his own lexicographer by indicating and defining claim limitations to have meanings other than their ordinary and accustomed meanings. To support this position, the Examiner relies on the following factual findings. First and as noted in the previous Office Action,³ the Examiner has carefully reviewed the specification and prosecution history and can not locate any lexicographic definition(s). Second, the Examiner finds that not only has Applicant not pointed to definitional statements in his specification or prosecution history, Applicant has also not pointed to a term or terms in a claim with which to draw in those statements⁴ with the required clarity, deliberateness, and precision.⁵ Third, after receiving express notice in the previous Office Action of the Examiner's

³ See the Examiner's previous Non Final, on the merits, Office Action mailed April 7, 2004, Paragraph No. 11.

⁴ "In order to overcome this heavy presumption in favor of the ordinary meaning of claim language, it is clear that a party wishing to use statements in the written description to confine or otherwise affect a patent's scope must, at the very least, point to a term or terms in the claim with which to draw in those statements. [Emphasis added.]" Johnson Worldwide Assocs. v. Zebco Corp., 175 F.3d 985, 989, 50 USPQ2d 1607, 1610 (Fed. Cir. 1999).

⁵ "The patentee's lexicography must, of course, appear 'with reasonable clarity, deliberateness, and precision' before it can affect the claim." *Renishaw PLC v. Marposs Societa' per Azioni*, 158 F.3d 1243, 1249, 48 USPQ2d 1117, 1121 (Fed. Cir. 1998) citing *In re Paulsen*, 30 F.3d 1475, 1480, 31 USPQ2d 1671, 1674 (Fed. Cir. 1994).

position that lexicography is not invoked,⁶ Applicant has not pointed out the "supposed errors" in the Examiner's position regarding lexicography invocation in accordance with 37 C.F.R. §1.111(b) (*i.e.* Applicant has not argued lexicography is invoked). Finally and to be sure of Applicant's intent, the Examiner also notes that Applicant has declined the Examiner's express invitation⁷ to be his own lexicographer.⁸ Accordingly and for due process purposes, the Examiner gives notice that for the remainder of the examination process (and unless expressly noted otherwise by the Examiner), the heavy presumption in favor of the ordinary and accustomed meaning is not overcome; the claims therefore continue to be interpreted with their "broadest reasonable interpretation . . ." *In re Morris*, 127 F.3d 1048, 1054, 44 USPQ2d 1023, 1027 (Fed. Cir. 1997).⁹ The Examiner now relies heavily and extensively on this

⁶ See again the Examiner's previous Non Final Office Action on the merits, Paragraph No. 11.

⁷ *Id*.

The Examiner's requirements on this matter were reasonable on at least two separate and independent grounds. First, the Examiner's requirements were simply an express request for clarification of how Applicant intend his claims to be interpreted so that lexicography (or even an *attempt* at lexicography) by Applicant was not inadvertently overlooked by the Examiner. Second, the requirements were reasonable in view of the USPTO's goals of compact prosecution, productivity with particular emphasis on reductions in both pendency and cycle time, and other goals as outlined in the USPTO's The 21st Century Strategic Plan, February 3, 2003 available at www.uspto.gov/web/offices/com/strat21/index.htm (last accessed October 16, 2004).

⁹ See also *In re Bass*, 314 F.3d 575, 577, 65 USPQ2d 1156, 1158 (Fed. Cir. 2002) ("In examining a patent claim, the PTO must apply the broadest reasonable meaning to the claim language, taking into account any definitions presented in the specification. Words in a claim are to be given their ordinary and accustomed meaning unless the inventor chose to be his own lexicographer in the specification") (citations omitted); *In re Etter*, 756 F.2d 852, 858, 225 USPQ 1, 5 (Fed. Cir. 1985) (en banc); and MPEP §§ 2111 and 2111.01.

interpretation.¹⁰ Unless expressly noted otherwise by the Examiner, the preceding claim interpretation principles in this paragraph apply to all examined claims currently pending.

17. To the extent that the Examiner's interpretations are in dispute with Applicant's interpretations, the Examiner maintains his definition as noted in the previous Non Final Office Action. Additionally, the Examiner hereby adopts the following definitions—under the broadest reasonable interpretation standard—in all his claim interpretations. ¹¹ Moreover, while the following list is again provided in accordance with *In re Morris*, the definitions are a guide to claim terminology since claim terms must be interpreted in context of the surrounding claim language. ¹² Finally, the following list is not intended to be exhaustive in any way:

Computer: "Any machine that does three things: accepts structured input, processes it according to prescribed rules, and produces the results as output." Computer Dictionary, 3rd Edition, Microsoft Press, Redmond, WA, 1997. Client: "3. On a local area network or Internet,

See 37 C.F.R. §1.104(c)(3) which states in part: "the examiner may rely upon admissions by applicant . . . as to *any matter* affecting patentability [Emphasis added.]"

¹¹ While most definition(s) are cited because these terms are found in the claims, the Examiner may have provided additional definition(s) to help interpret words, phrases, or concepts found in the definitions themselves or in the prior art.

¹² See e.g. *Brookhill-Wilk 1 LLC v. Intuitive Surgical Inc.*, 334 F.3d 1294, 1300, 67 USPQ2d 1132, 1137 (Fed. Cir. 2003) (abstract dictionary definitions are not alone determinative; "resort must always be made to the surrounding text of the claims in question").

¹³ Based upon Applicant's disclosure, the art of record, and the knowledge of one of ordinary skill in this art as determined by the factors discussed in MPEP §2141.03 (where practical), the Examiner finds that the *Microsoft Press Computer Dictionary* is an appropriate technical dictionary known to be used by one of ordinary skill in this art. See *e.g. Altiris Inc. v. Symantec Corp.*, 318 F.3d 1363, 1373, 65 USPQ2d 1865, 1872 (Fed. Cir. 2003) where the Federal Circuit used the *Microsoft Press Computer Dictionary* (3d ed.) as "a technical dictionary" to define the term "flag." See also *In re Barr*, 444 F.2d 588, 170 USPQ 330 (CCPA 1971)(noting that its appropriate to use technical dictionaries in order to ascertain the meaning of a term of art) and MPEP §2173.05(a) titled 'New Terminology.'

a computer that accesses shared network resources provided by another computer (called a server)." *Id. Server*: "2. On the Internet or other network, a computer or program that responds to commands from a client." *Id*.

18. Additionally, the Examiner notes that "the PTO and the CCPA acknowledged product-by-process claims as an exception to the general rule requiring claims to define products in terms of structural characteristics." *Atlantic Thermoplastics Co. v. Faytex Corp.*, 970 F.2d 834, 845, 23 USPQ2d 1481, 1490 (Fed. Cir. 1992) (hereinafter "*Atlantic Thermoplastics v. Faytex I*"). Furthermore, the Federal Circuit "acknowledges that it has in effect recognized . . . product-by-process claims as exceptional." *Atlantic Thermoplastics v. Faytex I*, 970 F.2d at 847, 23 USPQ2d at 1491.

Because of this exceptional status, the Examiner has carefully reviewed the claims and it is the Examiner's position that claims 7-11 and 21-50 *do not* contain any product-by-process limitations whether in a conventional format or otherwise. If Applicant disagrees with the Examiner, the Examiner respectfully requests Applicant in his next properly filed response to expressly point out any product-by-process claim(s) and their limitations so that they may be afforded their exceptional status and treated accordingly. Applicant is reminded that "even though product-by-process claims are limited by and defined by the process, determination of patentability is based on the product itself." *In re Thorpe*, 777 F.2d 695, 697, 227 USPQ 964, 966 (Fed. Cir. 1985) (citations omitted). Failure by Applicant in his next response to also address this issue in accordance with 37 C.F.R. §1.111(b) or to be non-responsive to this issue entirely will be considered intent by Applicant *not* to recite any product-by-process limitations.

¹⁴ See also MPEP §2113.

Art Unit: 3627

Unless expressly noted otherwise by the Examiner, the preceding discussion on product-byprocess principles applies to all examined claims currently pending.

Response to Arguments

- 19. Applicant's arguments filed July 8, 2004 have been fully considered but they are not persuasive.
- 20. Regarding the §101 rejections, Applicant's arguments are not persuasive because the claims are not within the technological arts. See *Ex parte Bowman*, *infra*. In this case, because the preambles do not recite essential steps and because the bodies of the respective claims can stand on their own, the Examiner finds that the preambles in the claims are not necessary to give life, meaning, and vitality to the claim. "In general, a preamble limits the invention if it recites essential structure or steps, or if it is necessary to give life, meaning, and vitality to the claim. Conversely, a preamble is not limiting where a patentee defines a structurally complete invention in the claim body and uses the preamble only to state a purpose or intended use for the invention." *Catalina Marketing International Inc. v. Coolsavings.com Inc.*, 289 F.3d. 801, 808, 62 USPQ2d 1781, 1784-85 (Fed. Cir. 2002) (citations and quotations omitted).
- 21. Applicant also argues that the Fisher/Sheehan combination does not disclose "designating, in turn, each one of the second plurality of bidders as a select bidder" The Examiner respectfully disagrees. First, because each bid must be processed, when that bid is processed, it is inherently said to be the "select bidder." Therefore even if thousands of bids are processed, that always is at least one "select bidder" as noted in the claims when that particular bid is processed. Applicant's arguments have been considered but are not persuasive.

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP §706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 C.F.R. §1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 C.F.R. §1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

- 23. References considered pertinent to Applicant's disclosure are listed on form PTO-892.
- The following two (2) citations to the Manual of Patent Examining Procedure ("MPEP") apply to this Office Action: MPEP citations to Chapters 100, 200, 500, 600, 700, 1000, 1100, 1300, 1400, 1500, 1700, 1800, 2000, 2100, 2200, 2500, 2600, and 2700 are from the MPEP 8th Edition, Rev. 2, May 2004. All remaining MPEP citations are from MPEP 8th Edition, August 2001.
- 25. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

26. Because this application is now final, Applicant is reminded of the USPTO's after final practice as discussed in MPEP §714.12 and §714.13 and that entry of amendments after final is not a matter of right. "The refusal of an examiner to enter an amendment after final rejection of claims is a matter of discretion." In re Berger, 279 F.3d 975, 984, 61 USPQ2d 1523, 1529 (Fed. Cir. 2002) (citations omitted). Furthermore, suggestions or examples of claim language provided by the Examiner are just that—suggestions or examples—and do not constitute a formal requirement mandated by the Examiner. Unless stated otherwise by an express indication that a claim is "allowed," exemplary claim language provided by the Examiner to overcome a particular rejection or to change claim interpretation has not been addressed with respect to other aspects of patentability (e.g. §101 patentable subject matter, §112 1st paragraph written description and enablement, §112 2nd paragraph indefiniteness, and §102 and §103 prior art). Therefore, any claim amendment submitted under 37 C.F.R. §1.116 that incorporates an Examiner suggestion or example or simply changes claim interpretation will nevertheless require further consideration and/or search and a patentability determination as noted above. In accordance with the USPTO's goals of customer service, compact prosecution, and reduction of cycle time, the Examiner has made every effort to clarify his position regarding claim interpretation and any rejections or objections in this application. Furthermore, the Examiner has again provided Applicants with notice—for due process purposes—of his position regarding his factual determinations and legal conclusions. The Examiner notes and thanks Applicant for his "Remarks" (beginning on page 8) traversing the Examiner's positions on various points. If Applicant disagrees with any additional factual determination or legal conclusion made by the

Art Unit: 3627

Examiner in this Office Action whether expressly stated or implied, ¹⁵ the Examiner respectfully reminds Applicant to properly traverse the Examiner's position(s) in accordance with 37 C.F.R. §1.111(b) in his next properly filed response. By addressing these issues now, matters where the Examiner and Applicant agree can be eliminated allowing the Examiner and Applicant to focus on areas of disagreement (if any) with the goal towards allowance in the shortest possible time. If Applicant has any questions regarding the Examiner's positions or has other questions regarding this communication or even previous communications, Applicant is strongly encouraged to contact Examiner Andrew J. Fischer whose telephone number is (703) 305-0292. If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's immediate supervisor, Robert Olszewski, can be reached at (703) 308-5183. The fax number for facsimile responses is now (703) 872-9306.

Andrew J. Fischer Primary Examiner Art Unit 3627

12 Fischer 10/16/04

AJF October 16, 2004

¹⁵ E.g., if the Examiner rejected a claim under §103 with two references, although not directly stated, it is the Examiner's implied position that the references are analogous art.